

EXTENSIONS OF REMARKS

EXTENDING STRUCTURED SETTLEMENTS TO WORKERS' COMPENSATION

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1997

Mr. SHAW. Mr. Speaker, I am pleased to rise today, along with Mr. RAMSTAD and Mr. STARK and a broad group of my colleagues from the Ways and Means Committee from both sides of the aisle, to introduce this bill to extend structured settlements under section 130 of the Internal Revenue Code to workers' compensation.

I am a great believer in structured settlements. Structured settlements have been widely used in the tort area for many years to compensate tort victims who have suffered serious, long-term, often profoundly disabling injuries. A structured settlement provides the badly injured tort victim with important financial protections.

Under a structured settlement, the injured person receives damages in the form of a stream of periodic payments tailored to his or her specific future medical and basic living needs from a well-capitalized financial institution that assumes the liability from the defendant and funds the obligation with an annuity or U.S. Treasury obligations. Congress has adopted a series of special Internal Revenue Code rules in sections 130 and 104 to promote the use of structured settlements.

Extending these code section 130 structured settlement rules to the workers' compensation area would provide crucial financial security to workers who have suffered serious, long-term physical injuries. A seriously and permanently disabled worker who is to receive a stream of workers' compensation payments over the next 20 or 30 years has the same very real concerns as the tort victim over relying on the uncertain financial prospects of a self-insured employer which may no longer be in business a decade from now or a compensation carrier that is weak and threatens to become more so in the future. In some States structured settlements also would provide a means of resolving workers' compensation disputes that otherwise would be settled with a lump sum that could be prematurely dissipated by the injured worker.

Thus, extending the structured settlement tax rules to workers' compensation is fully consistent with the original purpose of code section 130 and merely adds a parallel class of physical injuries to that already covered by the statute.

The use of structured settlements in workers' compensation would be subject to the oversight of the States workers' compensation referee who would have to approve each section 130 structured settlement on a case-by-case basis as being in the best interest of the injured worker.

The Treasury Department has testified before the Ways and Means Committee in the

last Congress that Treasury does not oppose this proposal, reasoning that "[t]here appears to be no policy justification, apart from revenue considerations, for allowing less favorable tax treatment for work-related physical injury claims than other physical injury claims." The Joint Tax Committee estimated in the last Congress that the proposal would cost a total of only \$11 million over 5 years.

We look forward to consideration of this important legislation at the earliest possible opportunity.

RECOGNITION OF LUISA SINIPATA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday May 1, 1997

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me today in commending Ms. Luisa Sinipata, a junior at Mercy High School in Burlingame and the recipient of the Congressional Youth Excellence Award in the 12th Congressional District of California.

Ms. Sinipata's contributions to our community are impressive. She coordinated publicity and entertainment for a recent neighborhood festival. She volunteered as a junior for the University of San Francisco's mock trials and as a child care volunteer at her church. Furthermore, as a member of the Peninsula YMCA Youth and Government Program, she has been an active promoter of San Mateo's teen curfew proposal, as well as an active participant in youth conferences.

In addition to this outstanding record of community service, Luisa has achieved an excellent academic record at Mercy High School. Luisa currently is taking courses in sociology and French at the College of San Mateo, in addition to her regular high school educational program. She has done this while working part time for a local San Mateo business.

Mr. Speaker, I invite my colleagues to join me in commending Ms. Luisa Sinipata for her outstanding service to our community and congratulating her for her academic achievements.

TRIBUTE TO PHILANTHROPIST ALICE PETERS

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1997

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to Alice Peters. Mrs. Peters has demonstrated, time and time again, the ability to raise the spirits of people in the Fresno, CA, community. I want to honor her today for her service to Fresno.

As noted in a recent edition of the Armenian General Benevolent Union [AGBU] magazine, Alice Peters' family moved to Lynn, MA, from

Bitlis in 1907. After hearing that more Bitlistsies were residing in the Fresno area, the family moved to Del Rey, a small farming town outside of Fresno. In 1943, she met and married Leon Peters, who was a farmer by day and sold pumps for water at night. Their business grew and became one of the Nation's premier winemaking machinery plants. Eventually, the business grew to be as large as 300 employees before the couple sold it to begin pursuing other interests.

Perhaps even more significant to the region than the wine-making machinery business was the formation of the Leon S. Peters Foundation in 1959. Today, this foundation, with Mrs. Peters as the board chairman, supports many different educational causes in both the Fresno community and the world. Locally, the foundation aids humanitarian endeavors and university scholarships. Foundation guidelines require the money be kept in Fresno to help students locally. Internationally, the foundation sends funding to various organizations throughout Armenia, including supporting scholarships for students studying at the American University of Armenia and funding to assist children at the Nork Children's Center.

Promoting education is not where the work of Alice Peters ends. As one of the leading philanthropists in Fresno, Mrs. Peters was instrumental in starting the Fresno Metropolitan Museum of Art, and also is a principle fundraiser for the Fresno Zoo and the Boy and Girl Scouts of America. Together, Mr. and Mrs. Peters have shaped Fresno from a once small farming town into one of the largest and most thriving cities in California.

Mr. Speaker, as an active member of the Fresno community, Alice Peters has contributed to the growth and cultivation of new ideas and accomplishments of its residents. Together, she and her husband have faced the challenges and enjoyed the successes of the world of business. In turn, they have given back to the community that has become so important in their lives. I ask my colleagues to join me in tribute to a woman who strives each day to make the Fresno community as fulfilling a place for others as it has been for her.

MORE UNFAIR COMPETITION: SUBSIDIZED BRIBERY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1997

Mr. SOLOMON. Mr. Speaker, I would like to insert for the RECORD an article in the International Herald Tribune that outlines Germany's and France's opposition to making foreign bribery a crime.

I think most Americans would be shocked to learn that in Germany and France, not only is bribery of foreign officials not illegal, it qualifies as a tax deduction! Meanwhile, American firms trying to do business abroad operate under our Foreign Corrupt Practices Act, which

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